

The following described lands will be offered for oil and gas leasing through oral competitive bidding in the Department of Transportation auditorium, 2701 Prospect Ave., Helena, Montana, beginning at 9:00 am, December 4, 2007

Tract	Stip	Twp	Rge	Sec	Description	Acres	Bidder	Bid \$/Acr
Big Horn								
1	1, 2, 3, 4, 5, 6	1.N	30.E	36	All	640.00	_____	_____
2	1, 2, 3, 4, 5, 6	1.N	31.E	16	All	640.00	_____	_____
3	1, 2, 3, 4, 5, 6, 10	1.N	31.E	36	All	640.00	_____	_____
4	1, 2, 3, 4, 5, 6, 10	1.N	32.E	16	All	640.00	_____	_____
5	1, 2, 3, 4, 5, 6	1.N	32.E	23	S2	320.00	_____	_____
6	1, 2, 3, 4, 5, 6	1.N	32.E	26	N2	320.00	_____	_____
7	1, 2, 3, 4, 5, 6	1.N	32.E	36	All	640.00	_____	_____
8	1, 2, 3, 4, 5, 6, 11, 13	1.N	33.E	11	Lots 1, 5, 6, 9, SE4NE4, E2SE4, Big Horn Riverbed and related acreage	* 495.00	_____	_____
9	1, 2, 3, 4, 5, 6	1.N	33.E	12	W2	* 320.00	_____	_____
10	1, 2, 3, 4, 5, 6, 13	1.N	33.E	14	Big Horn Riverbed and related acreage	35.00	_____	_____
11	1, 2, 3, 4, 5, 6, 13	1.N	33.E	15	Big Horn Riverbed and related acreage	128.00	_____	_____
12	1, 2, 3, 4, 5, 6	1.N	33.E	36	All	640.00	_____	_____
13	1, 2, 3, 4, 5, 6, 7	1.N	34.E	16	All	640.00	_____	_____
14	1, 2, 3, 4, 5, 6	1.N	34.E	36	All	640.00	_____	_____
15	1, 2, 3, 4, 5, 6	1.N	35.E	16	All	640.00	_____	_____
16	1, 2, 3, 4, 5, 6	1.N	35.E	36	All	640.00	_____	_____
17	1, 2, 3, 4, 5, 6	1.N	36.E	16	All	640.00	_____	_____
18	1, 2, 3, 4, 5, 6	1.N	36.E	36	All	640.00	_____	_____
19	1, 2, 3, 4, 5, 6, 8	1.S	30.E	35	All	640.00	_____	_____
20	1, 2, 3, 4, 5, 6	1.S	31.E	21	All	* 640.00	_____	_____
21	1, 2, 3, 4, 5, 6, 14	1.S	33.E	16	All	* 640.00	_____	_____
22	2, 3, 4, 5, 6, 15	1.S	36.E	6	Lots 1 thru 10, SE4NW4, S2NE4, N2SE4, NE4SW4	626.28	_____	_____
Blaine								
23	1, 2, 3, 4, 5, 6, 7	25.N	17.E	36	Lots 1, 4, S2NE4, NE4SE4	196.64	_____	_____

Tract	Stip	Twp	Rge	Sec	Description	Acres	Bidder	Bid \$/Acr
Carbon								
24	1, 2, 3, 4, 5, 6	3.S	23.E	16	All	640.00	_____	_____
Carter								
25	1, 2, 3, 4, 5, 6	1.S	62.E	16	All	640.00	_____	_____
Fergus								
26	1, 2, 3, 4, 5, 6	12.N	23.E	16	W2NW4, NW4NE4, E2E2, SW4SE4, SW4 *	480.00	_____	_____
Musselshell								
27	1, 2, 3, 4, 5, 6	7.N	30.E	16	All	640.00	_____	_____
28	1, 2, 3, 4, 5, 6	7.N	30.E	20	E2	320.00	_____	_____
29	1, 2, 3, 4, 5, 6	8.N	23.E	16	All	640.00	_____	_____
30	1, 2, 3, 4, 5, 6	8.N	23.E	36	All	640.00	_____	_____
31	1, 2, 3, 4, 5, 6	8.N	24.E	16	All	640.00	_____	_____
32	1, 2, 3, 4, 5, 6	8.N	24.E	36	All	640.00	_____	_____
33	1, 2, 3, 4, 5, 6	8.N	25.E	16	All	640.00	_____	_____
34	1, 2, 3, 4, 5, 6	8.N	26.E	14	E2	320.00	_____	_____
35	1, 2, 3, 4, 5, 6, 11	8.N	26.E	16	All	640.00	_____	_____
36	1, 2, 3, 4, 5, 6	8.N	26.E	36	All	590.57	_____	_____
37	1, 2, 3, 4, 5, 6	8.N	27.E	6	Lots 1, 2, 3, 4	198.98	_____	_____
38	1, 2, 3, 4, 5, 6	8.N	27.E	16	All	640.00	_____	_____
39	1, 2, 3, 4, 5, 6, 7	8.N	27.E	36	All	640.00	_____	_____
40	1, 2, 3, 4, 5, 6	8.N	28.E	16	N2NW4, SE4NW4, E2, NE4SW4, S2SW4	560.00	_____	_____
41	1, 2, 3, 4, 5, 6	8.N	28.E	36	All	640.00	_____	_____
42	1, 2, 3, 4, 5, 6	8.N	29.E	16	N2, NW4SE4, N2SW4, SW4SW4	480.00	_____	_____
43	1, 2, 3, 4, 5, 6	8.N	29.E	36	All	640.00	_____	_____
44	1, 2, 3, 4, 5, 6	8.N	30.E	16	All	640.00	_____	_____
45	1, 2, 3, 4, 5, 6	8.N	30.E	36	All	640.00	_____	_____
46	1, 2, 3, 4, 5, 6	8.N	31.E	1	Lots 1 thru 16	634.80	_____	_____

Tract	Stip	Twp	Rge	Sec	Description	Acres	Bidder	Bid \$/Acr
47	1, 2, 3, 4, 5, 6	8.N	31.E	16	All	640.00	_____	_____
48	1, 2, 3, 4, 5, 6	8.N	31.E	20	All	640.00	_____	_____
49	1, 2, 3, 4, 5, 6	8.N	31.E	28	N2N2	160.00	_____	_____
50	1, 2, 3, 4, 5, 6	8.N	31.E	32	E2E2, SW4SE4	200.00	_____	_____
51	1, 2, 3, 4, 5, 6	8.N	31.E	36	All	640.00	_____	_____
52	1, 2, 3, 4, 5, 6	9.N	24.E	5	Lots 1, 2, S2NE4, S2	480.73	_____	_____
53	2, 3, 4, 5, 6, 15	9.N	24.E	16	All	640.00	_____	_____
54	2, 3, 4, 5, 6, 15	9.N	24.E	36	All	* 640.00	_____	_____
55	1, 2, 3, 4, 5, 6, 10	9.N	25.E	12	N2	320.00	_____	_____
56	1, 2, 3, 4, 5, 6	9.N	26.E	2	SE4	160.00	_____	_____
57	1, 2, 3, 4, 5, 6, 10	9.N	26.E	26	NE4, E2NW4	240.00	_____	_____
58	1, 2, 3, 4, 5, 6, 10	9.N	26.E	36	All	640.00	_____	_____
59	1, 2, 3, 4, 5, 6	9.N	27.E	6	Lots 4, 5, 6, 7	158.55	_____	_____
60	1, 2, 3, 4, 5, 6	9.N	27.E	7	NE4	160.00	_____	_____
61	1, 2, 3, 4, 5, 6	9.N	27.E	16	All	640.00	_____	_____
62	1, 2, 3, 4, 5, 6	9.N	28.E	3	Lots 1, 2, 3, 4, S2N2, S2	642.08	_____	_____
63	1, 2, 3, 4, 5, 6	9.N	28.E	16	All	640.00	_____	_____
64	1, 2, 3, 4, 5, 6	9.N	28.E	36	All	640.00	_____	_____
65	1, 2, 3, 4, 5, 6	9.N	29.E	36	All	640.00	_____	_____
66	1, 2, 3, 4, 5, 6	9.N	30.E	16	N2, N2SE4, SE4SE4	* 440.00	_____	_____
67	1, 2, 3, 4, 5, 6	9.N	30.E	22	W2SW4, SE4SW4	120.00	_____	_____
68	1, 2, 3, 4, 5, 6	9.N	30.E	30	E2	320.00	_____	_____
69	1, 2, 3, 4, 5, 6, 7	9.N	30.E	36	Lots 1, 2, NE4, N2SE4	314.39	_____	_____
70	1, 2, 3, 4, 5, 6	9.N	31.E	4	N2	* 320.00	_____	_____
71	1, 2, 3, 4, 5, 6, 7	9.N	31.E	16	All	640.00	_____	_____
72	1, 2, 3, 4, 5, 6	9.N	31.E	18	Lots 1, 2, 3, 4, E2NW4, NE4SW4	320.60	_____	_____

Tract	Stip	Twp	Rge	Sec	Description	Acres	Bidder	Bid \$/Acr
73	1, 2, 3, 4, 5, 6	10.N	23.E	16	All	640.00	_____	_____
74	1, 2, 3, 4, 5, 6	10.N	23.E	36	All	640.00	_____	_____
75	2, 3, 4, 5, 6, 15	10.N	24.E	16	All	640.00	_____	_____
76	1, 2, 3, 4, 5, 6	10.N	24.E	24	SW4	160.00	_____	_____
77	1, 2, 3, 4, 5, 6	10.N	24.E	30	SE4	160.00	_____	_____
78	1, 2, 3, 4, 5, 6	11.N	24.E	17	N2, SW4, W2SE4, SE4SE4	600.00	_____	_____
79	1, 2, 3, 4, 5, 6	11.N	24.E	28	W2W2	160.00	_____	_____
Pondera								
80	1, 2, 3, 4, 5, 6	30.N	6.W	31	Lot 2, SE4NW4	76.51	_____	_____
81	1, 2, 3, 4, 5, 6	30.N	6.W	31	Lots 3, 4, E2SW4	* 152.84	_____	_____
82	1, 2, 3, 4, 5, 6	30.N	6.W	31	NE4	* 160.00	_____	_____
83	1, 2, 3, 4, 5, 6	30.N	6.W	31	W2SE4	* 80.00	_____	_____
Powder River								
84	1, 2, 3, 4, 5, 6, 7	6.S	53.E	16	All, below the base of the Mowry Shale formation	640.00	_____	_____
85	1, 2, 3, 4, 5, 6	7.S	51.E	36	All	* 640.00	_____	_____
86	1, 2, 3, 4, 5, 6	8.S	52.E	16	All, below the base of the Mowry Shale formation	640.00	_____	_____
87	1, 2, 3, 4, 5, 6, 12	9.S	52.E	16	All, below the base of the Mowry Shale formation	640.00	_____	_____
Richland								
88	1, 2, 3, 4, 5, 6, 8	22.N	58.E	34	NW4	160.00	_____	_____
89	1, 2, 3, 4, 5, 6, 13, 17	22.N	59.E	1	"A" Island, all formations except Madison Pool	41.00	_____	_____
90	1, 2, 3, 4, 5, 6, 13	27.N	59.E	29	Missouri Riverbed and related acreage	10.00	_____	_____
91	1, 2, 3, 4, 5, 6, 13	27.N	59.E	30	Missouri Riverbed and related acreage	15.00	_____	_____
92	1, 2, 3, 4, 5, 6, 13	27.N	59.E	31	Missouri Riverbed and related acreage	175.00	_____	_____
Rosebud								
93	1, 2, 3, 4, 5, 6	9.N	31.E	12	N2, NE4SW4, N2SE4	* 440.00	_____	_____
94	1, 2, 3, 4, 5, 6	9.N	31.E	36	Lots 1, 2, 3, 4, N2, N2S2	640.00	_____	_____
95	1, 2, 3, 4, 5, 6, 7	9.N	32.E	16	All	640.00	_____	_____

Tract	Stip	Twp	Rge	Sec	Description	Acres	Bidder	Bid \$/Acr
96	1, 2, 3, 4, 5, 6	9.N	33.E	6	Lots 1, 2, 3, 4, 5, SE4NW4, S2NE4	316.87	_____	_____
97	1, 2, 3, 4, 5, 6	9.N	33.E	14	E2	320.00	_____	_____
98	1, 2, 3, 4, 5, 6	9.N	33.E	16	All	640.00	_____	_____
99	1, 2, 3, 4, 5, 6	9.N	33.E	36	All	* 640.00	_____	_____
100	1, 2, 3, 4, 5, 6, 10	10.N	31.E	36	All	640.00	_____	_____
101	1, 2, 3, 4, 5, 6	10.N	32.E	16	All	640.00	_____	_____
102	1, 2, 3, 4, 5, 6, 7	10.N	32.E	30	E2NW4, NE4, E2SE4	320.00	_____	_____
Sheridan								
103	1, 2, 3, 4, 5, 6	33.N	56.E	16	W2	* 320.00	_____	_____
104	1, 2, 3, 4, 5, 6	35.N	57.E	16	All	* 640.00	_____	_____
105	1, 2, 3, 4, 5, 6	36.N	52.E	5	SW4	160.00	_____	_____
106	1, 2, 3, 4, 5, 6	36.N	52.E	6	S2SE4, SE4SW4	120.00	_____	_____
107	1, 2, 3, 4, 5, 6	36.N	52.E	7	NE4NW4, NE4	200.00	_____	_____
108	1, 2, 3, 4, 5, 6	36.N	52.E	8	NW4	160.00	_____	_____
109	1, 2, 3, 4, 5, 6, 8	37.N	55.E	36	All	640.00	_____	_____
Teton								
110	2, 3, 4, 5, 6, 8, 16	24.N	5.W	8	N2SE4	80.00	_____	_____
111	2, 3, 4, 5, 6, 8, 16	24.N	5.W	9	S2	320.00	_____	_____
112	2, 3, 4, 5, 6, 16	24.N	5.W	16	All	640.00	_____	_____
113	2, 3, 4, 5, 6, 16	24.N	5.W	17	N2, S2S2	480.00	_____	_____
114	2, 3, 4, 5, 6, 16	24.N	5.W	18	Lots 1, 2, E2NW4, SE4	305.44	_____	_____
115	2, 3, 4, 5, 6, 16	24.N	5.W	20	N2N2	160.00	_____	_____
116	2, 3, 4, 5, 6, 16	24.N	5.W	21	N2	* 320.00	_____	_____
117	2, 3, 4, 5, 6, 16	24.N	6.W	10	N2NE4	80.00	_____	_____
118	2, 3, 4, 5, 6, 16	24.N	6.W	11	N2N2	160.00	_____	_____
119	2, 3, 4, 5, 6, 16	24.N	6.W	12	SE4	160.00	_____	_____
120	2, 3, 4, 5, 6, 16	24.N	6.W	13	NE4SE4, S2SE4, SW4SW4	160.00	_____	_____

Tract	Stip	Twp	Rge	Sec	Description	Acres	Bidder	Bid \$/Acr
121	2, 3, 4, 5, 6, 16	24.N	6.W	24	W2NE4, SW4SW4	120.00	_____	_____
122	2, 3, 4, 5, 6, 16	26.N	7.W	11	SW4NW4, NW4SE4, N2SW4	* 160.00	_____	_____
Toole								
123	1, 2, 3, 4, 5, 6, 8	31.N	4.W	2	SE4	160.00	_____	_____
124	1, 2, 3, 4, 5, 6, 7	31.N	4.W	3	E2SW4	80.00	_____	_____
125	1, 2, 3, 4, 5, 6, 7, 8	31.N	4.W	10	E2NW4, W2NE4, SE4SE4, NE4SE4	240.00	_____	_____
126	1, 2, 3, 4, 5, 6, 8	31.N	4.W	11	NE4	160.00	_____	_____
127	1, 2, 3, 4, 5, 6	32.N	4.W	36	All	640.00	_____	_____
128	1, 2, 3, 4, 5, 6	33.N	2.W	15	E2, below the base of the Swift formation	320.00	_____	_____
129	1, 2, 3, 4, 5, 6, 7	34.N	2.W	21	SE4NW4, NW4NE4, N2S2, SE4SE4, SW4SW4, below the base of the Rierdon formation	320.00	_____	_____
130	1, 2, 3, 4, 5, 6, 7	34.N	2.W	28	NW4NW4, S2NW4, E2NE4, N2SE4, NE4SW4, below the base of the Rierdon formation	320.00	_____	_____
Treasure								
131	1, 2, 3, 4, 5, 6	7.N	33.E	16	All	640.00	_____	_____
132	1, 2, 3, 4, 5, 6	7.N	33.E	36	All	640.00	_____	_____
133	1, 2, 3, 4, 5, 6	8.N	32.E	36	All	640.00	_____	_____
134	1, 2, 3, 4, 5, 6	8.N	33.E	2	S2NE4, SE4, E2SW4	320.00	_____	_____
135	1, 2, 3, 4, 5, 6	8.N	33.E	6	Lots 6, 7, E2SW4, SE4	319.83	_____	_____
136	1, 2, 3, 4, 5, 6	8.N	33.E	8	All	640.00	_____	_____
137	1, 2, 3, 4, 5, 6, 7	8.N	33.E	16	All	640.00	_____	_____
138	1, 2, 3, 4, 5, 6	8.N	33.E	17	All	640.00	_____	_____
139	1, 2, 3, 4, 5, 6	8.N	33.E	28	S2NW4, S2SE4, SW4	320.00	_____	_____
140	1, 2, 3, 4, 5, 6	8.N	33.E	36	All	640.00	_____	_____
Yellowstone								
141	1, 2, 3, 4, 5, 6, 7	1.N	28.E	16	All	640.00	_____	_____
142	1, 2, 3, 4, 5, 6	1.N	28.E	36	All	* 640.00	_____	_____
143	1, 2, 3, 4, 5, 6	1.N	29.E	3	S2	320.00	_____	_____

Tract	Stip	Twp	Rge	Sec	Description	Acres	Bidder	Bid \$/Acr
144	1, 2, 3, 4, 5, 6	1.N	29.E	4	S2	320.00	_____	_____
145	1, 2, 3, 4, 5, 6	1.N	29.E	16	All	* 640.00	_____	_____
146	1, 2, 3, 4, 5, 6	1.N	29.E	21	S2	320.00	_____	_____
147	1, 2, 3, 4, 5, 6	7.N	30.E	13	All	640.00	_____	_____
148	1, 2, 3, 4, 5, 6	7.N	30.E	36	All	640.00	_____	_____
149	1, 2, 3, 4, 5, 6	7.N	31.E	4	Lots 3, 4, S2NW4, S2	490.30	_____	_____
150	1, 2, 3, 4, 5, 6	7.N	31.E	10	NW4NW4, S2NW4, SW4	280.00	_____	_____
151	1, 2, 3, 4, 5, 6	7.N	31.E	16	All	640.00	_____	_____
152	1, 2, 3, 4, 5, 6	7.N	31.E	24	E2	320.00	_____	_____
153	1, 2, 3, 4, 5, 6, 8	7.N	31.E	36	All	640.00	_____	_____
154	1, 2, 3, 4, 5, 6	7.N	32.E	2	Lots 3, 4, S2NW4, SW4	321.89	_____	_____
155	1, 2, 3, 4, 5, 6	7.N	32.E	16	All	640.00	_____	_____
156	1, 2, 3, 4, 5, 6, 10	7.N	32.E	36	All	640.00	_____	_____
157	1, 2, 3, 4, 5, 6	8.N	32.E	8	NE4, N2SE4, E2NW4	320.00	_____	_____
158	1, 2, 3, 4, 5, 6	8.N	32.E	16	All	640.00	_____	_____
159	1, 2, 3, 4, 5, 6	8.N	32.E	18	NE4, E2NW4, N2SE4, SE4SE4	* 360.00	_____	_____
160	1, 2, 3, 4, 5, 6	8.N	32.E	22	S2	320.00	_____	_____
161	1, 2, 3, 4, 5, 6, 9	1.S	29.E	16	NE4, S2	480.00	_____	_____
162	1, 2, 3, 4, 5, 6	1.S	29.E	36	N2NE4	80.00	_____	_____

Tract	Stip	Twp	Rge	Sec	Description	Acres	Bidder	Bid \$/Acr
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Summary by Lessor

Dept of Natural Resources & Conservation

71686.3

162

Total Acres for Lease Sale 71686.3

Total Tracts for Lease Sale 162

* Part or all of tract is not state-owned surface

Additional lease stipulations are listed on the following pages. The STIP Column on the lease sale list identifies which stipulations will be attached to each tract.

Sight drafts will not be accepted. The State Board of Land Commissioners reserves the right to reject any and all bids. All payments are due within ten days after the date of sale.

Individuals with disabilities needing assistance or special services, please call Julie David at (406)444-4576 at least 1 week prior to the sale.

STATE BOARD OF LAND COMMISSIONERS

Stipulations

1. Lessee shall notify and obtain approval from the Department's Trust Land Management Division (TLMD) prior to constructing well pads, roads, power lines, and related facilities that may require surface disturbance on the tract. Lessee shall comply with any mitigation measures stipulated in TLMD's approval.
2. Prior to the drilling of any well, lessee shall send one copy of the well prognosis, including Form 22 "Application for Permit" to the Department's Trust Land Management Division (TLMD). After a well is drilled and completed, lessee shall send one copy of all logs run, Form 4A "Completion Report", and geologic report to TLMD. A copy of Form 2 "Sundry Notice and Report of Wells" or other appropriate Board of Oil and Gas Conservation form shall be sent to TLMD whenever any subsequent change in well status or operator is intended or has occurred. Lessee shall also notify and obtain approval from the TLMD prior to plugging a well on the lease premises.

Issuance of this lease in no way commits the Land Board to approval of coal bed methane production on this lease. Any coal bed methane extraction wells would require subsequent review and approval by the board.

3. The TLMD will complete an initial review for cultural resources and, where applicable, paleontological resources of the area intended for disturbance and may require a resources inventory. Based on the results of the inventory, the TLMD may restrict surface activity for the purpose of protecting significant resources located on the lease premises.
4. The lessee shall be responsible for controlling any noxious weeds introduced by lessee's activity on State-owned land and shall prevent or eradicate the spread of those noxious weeds onto land adjoining the lease premises.
5. The definitions of "oil" and "gas" provided in 82-1-111, MCA, do not apply to this lease for royalty calculation purposes.
6. If the State does not own the surface, the lessee must contact the owner of the surface in writing at least 30 days prior to any surface activity. A copy of the correspondence shall be sent to TLMD.
7. Due to unstable soil conditions on this tract and/or topography that is rough and/or steep, surface use may be restricted or denied. Seismic activity may be restricted to poltershots.
8. The lessee is responsible to pay for all damages, including penalties and charges assessed by the USDA-CFSA on CRP lands, as a result of drilling and production on the tract.
9. No surface occupancy of the communications site(s) or related facilities is permitted without written approval of TLMD.
10. Active sage grouse lek(s) have been identified on or adjacent to this tract. No activities shall occur on the tract until the proposed action has been approved in writing by the Director of the Department. If surface activity is proposed on the tract, the department will consult with the Director of the Department of Fish, Wildlife and Parks for his or her comments, concerns and recommendations. Additional mitigation measures may be required, including no-surface-occupancy buffers and/or timing restrictions, which may encompass part or all of the tract.
11. Any activity within 1/8 mile of the river, flood plain, or lake/reservoir on or adjacent to this tract must be approved in writing by the TLMD prior to commencement. No surface occupancy is allowed within the bed of the river, abandoned channels, the bed of the lake/reservoir, or on islands and accretions associated with the river or lake/reservoir.
12. Due to the floodplain/wetlands area(s), surface use may be restricted or denied.

Stipulations

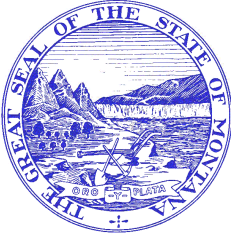
13. This tract contains navigable riverbeds. No surface occupancy is allowed within the bed of the navigable river, abandoned channels, or on islands and accretions. In addition, upon completion of a successful well, where river title is disputed, the lessee will file an interpleader action under Rule 22, M.R.Civ.P. in the Montana District Court, or other court having jurisdiction, in which the leased lands are located for all acreage within the lease in which the title is disputed. The lessee shall name all potential royalty claimants as defendants.
14. No surface occupancy of the cemetery site is permitted without written approval of TLMD.
15. This lease includes areas that may be environmentally sensitive. Therefore, if the lessee intends to conduct any activities on the lease premises, the lessee shall submit to TLMD one copy of an Operating Plan or Amendment to an existing Operating Plan, describing in detail the proposed activities. No activities shall occur on the tract until the Operating Plan or Amendments have been approved in writing by the Director of the Department. TLMD shall review the Operating Plan or Amendment and notify the lessee if the Plan or Amendment is approved or disapproved.

After an opportunity for an informal hearing with the lessee, surface activity may be denied or restricted on all or portions of any tract if the Director determines in writing that the proposed surface activity will be detrimental to trust resources and therefore not in the best interests of the trust.

16. This lease is located near the Rocky Mountain Front and includes areas that are environmentally sensitive. Therefore, except as otherwise provided below, the lessee shall not conduct any surface operations on the lease premises. If the lessee determines that surface operation on the lease premises may be required, the lessee shall submit a proposed Operating Plan or Amendment to an existing Operating Plan to the State Board of Land Commissioners describing in detail the proposed operations. No surface activities shall occur on the lease premises unless and until the Operating Plan or Amendment is approved by the Board. In determining whether to approve the proposed Operating Plan or Amendment, the following provisions shall apply:
 - 1) If the lessee proposes an activity that does not entail any significant surface disturbance, the Board may approve the same after completion of the appropriate environmental review in accordance with the Montana Environmental Policy Act (MEPA) and an opportunity for public comment on the proposed activity has been provided.
 - 2) Before the Board approves any proposed activity on the lease premises that entails a significant surface disturbance, an environmental impact statement (EIS) shall be completed in accordance with MEPA. The EIS shall analyze the potential impacts of alternative and future potential levels of oil and gas development and extraction on an ecosystem scale as the ecosystem is defined by the "Limits of Acceptable Change - Bob Marshall Wilderness Complex" adopted by the Montana Department of Fish, Wildlife and Parks in December 1991. The analysis shall consider all relevant information, which may include, but is not limited to, existing environmental reviews and management plans. Public involvement in the environmental review process shall be actively solicited by the preparer of the environmental review document and shall include, at minimum, adequately noticed public meetings in at least three communities including Great Falls and Helena.
 - 3) The proposed surface activity shall adhere to the "Interagency Rocky Mountain Front, Wildlife Monitoring/Evaluation Program, Management Guidelines for Selected Species" adopted by the Montana Department of Fish, Wildlife and Parks in September 1987, or any successor guidelines thereto.
 - 4) The Board may refuse to approve any proposed surface operations if it determines that they do not constitute the best use of trust resources or are not in the best interest of the State of Montana.
17. This lease is subject to the Montana Board of Oil and Gas Conservation's temporary spacing unit, Board Order 1122007.

DEPARTMENT OF NATURAL RESOURCES
AND CONSERVATION

Trust Land Management Division



BRIAN SCHWEITZER, GOVERNOR

1625 ELEVENTH AVENUE

DIRECTOR'S OFFICE (406) 444-2074
TELEFAX NUMBER (406) 444-2684

PO BOX 201601
HELENA, MONTANA 59620-1601

TO ALL INTERESTED PARTIES:

RE: March 5, 2008 Oil and Gas Lease Sale

In order to give as much advance notice as possible, this notice is to advise that the date of the March 2008 Oil and Gas Lease Sale has been set for **WEDNESDAY, MARCH 5, 2008**, at 9:00 A.M. in the auditorium of the Department of Transportation building at 2701 Prospect Avenue, Helena, Montana, east of the interstate highway. Please call the Department of Natural Resources and Conservation for detailed directions, if necessary.

The deadline filing date for submitting applications on tracts to be nominated for the sale in March is 5:00pm on December 26, 2007. Applications must be received in this office by that date. If you have any questions, please contact me at jdavid@mt.gov or (406) 444-4576.

Julie David, Supervisor
Mineral Leasing Section
Minerals Management Bureau

DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

P.O. Box 201601

Helena, Montana 59620-1601

December 4, 2007

The following is a list of oil and gas leases which terminated or expired in September 2007.

<u>COUNTY</u>	<u>TWP</u>	<u>RNG</u>	<u>SEC</u>	<u>DESCRIPTION</u>	<u>ACRES</u>
BIG HORN	6S	39E	16	Lots 1, 2, 3, 4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$	607.19
BLAINE	30N	20E	16	All	640.00
	30N	20E	17	W $\frac{1}{2}$, N $\frac{1}{2}$ NE $\frac{1}{4}$	400.00
	30N	21E	5	Lots 1, 2, 3, 4, S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$	596.92
	31N	21E	16	All	640.00
	31N	21E	22	E $\frac{1}{2}$	320.00
	31N	21E	25	SW $\frac{1}{4}$ SE $\frac{1}{4}$	40.00
	31N	21E	26	W $\frac{1}{2}$	320.00
	31N	21E	28	N $\frac{1}{2}$ NW $\frac{1}{4}$	80.00
	31N	21E	29	NE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$	560.00
	31N	21E	32	W $\frac{1}{2}$ SE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$	160.00
	31N	21E	34	N $\frac{1}{2}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$	560.00
	31N	21E	36	All	640.00
	31N	22E	17	S $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$	120.00
	31N	22E	19	SE $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$	120.00
	31N	22E	20	SE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$	160.00
	31N	22E	30	E $\frac{1}{2}$	320.00
	33N	18E	28	SE $\frac{1}{4}$	160.00
	33N	19E	16	All	640.00
	33N	19E	21	NW $\frac{1}{4}$	160.00
CARBON	5S	21E	16	S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$	440.00
	6S	20E	16	SW $\frac{1}{4}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$	240.00
CARTER	7S	58E	16	All	640.00
	7S	58E	36	All	640.00
CHOUTEAU	24N	7E	9	W $\frac{1}{2}$ NE $\frac{1}{4}$	80.00
	24N	7E	28	S $\frac{1}{2}$	320.00

<u>COUNTY</u>	<u>TWP</u>	<u>RNG</u>	<u>SEC</u>	<u>DESCRIPTION</u>	<u>ACRES</u>
DANIELS					
	35N	48E	16	All	640.00
	35N	48E	36	All	640.00
	37N	50E	16	NW¼, SW¼NE¼, S½	520.00
	37N	50E	36	All	640.00
GOLDEN VALLEY					
	6N	20E	36	All	640.00
	6N	21E	30	Lots 1, 2, 3, 4, E½W½, E½	643.40
HILL					
	35N	15E	16	All	640.00
	35N	15E	23	S½SE¼	80.00
POWDER RIVER					
	1S	50E	36	All	640.00
SHERIDAN					
	31N	58E	16	SE¼	160.00
	35N	52E	16	NW¼NW¼, E½, NE¼SW¼ S½SW¼	480.00
	35N	52E	36	All	640.00
	35N	53E	2	SW¼SE¼, W½SW¼, SE¼SW¼	160.00
	35N	53E	3	SE¼NE¼, SW¼SE¼, E½SE¼	160.00
	35N	53E	10	NW¼NE¼	40.00
	35N	53E	11	NW¼NW¼	40.00
	35N	53E	16	All	640.00
	35N	53E	36	All	640.00
	36N	52E	29	SE¼SW¼	40.00
	36N	52E	32	E½NW¼, E½SE¼, SW¼SE¼, NE¼SW¼, N½SE¼SW¼	260.00
	37N	51E	23	SE¼SE¼	40.00
	37N	51E	25	N½NW¼	80.00
	37N	51E	26	NE¼NE¼	40.00
	37N	51E	36	SE¼NW¼, NE¼, S½	520.00
	37N	52E	16	N½, N½SE¼, SE¼SE¼ NE¼SW¼	480.00
	37N	52E	36	All	640.00
	37N	53E	16	All	640.00
TOOLE					
	33N	2E	4	Lots 1, 2, S½NE¼, SE¼	320.19
	34N	1E	16	All	640.00
	35N	1E	2	SW¼	160.00
	35N	1E	3	Lots 1, 2, S½NE¼, SE¼	323.10
	35N	1E	10	NE¼	160.00
	35N	1E	11	W½	320.00
	36N	1E	18	Lots 1, 2, 3, E½SW¼	176.00
	36N	1E	19	Lot 4, S½SE¼, SE¼SW¼	153.07

<u>COUNTY</u>	<u>TWP</u>	<u>RNG</u>	<u>SEC</u>	<u>DESCRIPTION</u>	<u>ACRES</u>
TOOLE	36N	1E	20	SE $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$	320.00
	36N	1E	30	Lots 1, 2, E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$	306.26
	36N	1E	34	W $\frac{1}{2}$	320.00
	34N	1W	16	W $\frac{1}{2}$, from the surface to the base of the Sunburst formation	320.00
	36N	1W	12	W $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$	240.00
	36N	1W	13	W $\frac{1}{2}$, W $\frac{1}{2}$ E $\frac{1}{2}$	480.00
	36N	1W	14	All	640.00
	36N	1W	16	All	640.00
	36N	1W	24	NW $\frac{1}{4}$, W $\frac{1}{2}$ NE $\frac{1}{4}$	240.00
	36N	1W	36	All	640.00
	37N	3W	34	All	640.00
YELLOWSTONE	4N	26E	26	E $\frac{1}{2}$ W $\frac{1}{2}$	160.00